PX 364

Message

From: Chris Larsen [███@prosper.com]
Sent: 8/18/2012 8:52:24 AM
To: ███████@gmail.com
Subject: FW:
Attachments: faucet.xlsx

CHRIS LARSEN
Chairman of the Board
Prosper.com
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From: Jed McCaleb [███████@gmail.com]
Sent: Tuesday, August 14, 2012 11:01 AM
To: chris larsen
Subject:

Hi Chris,
So far I've talked to █████████ and Arthur about the structure you
purposed. ███████ are fine with it.
Arthur has some concerns. He would greatly prefer actual coins to
shares in a company. He is worried about regulators shutting down the
company and seizing his coins. Our original deal promised him either
2.1% of all coins or the equivalent amount of equity in the company.
The 2.1% is less than he would get if we calculated his coin ownership
based on the 100k figure in my spreadsheet. Is there a big
disadvantage to giving Arthur founder shares by the same mechanism
that we are getting them? I feel like we need to talk to the lawyers
again to see what is possible.
I still need to talk to David but I never had anything specific with
him so I don't really think he will care much.

The other issue is it seems the amount we ultimately give to the world
is still a large variable. If we only end up giving say 20% to the
world it would be nice if the founders got more coins. I attached my
faucet spreadsheet.

I think you are right, 10% is probably enough for bitcoiners. If we
are able to raise millions of dollars we should be able to target the
general population and the bitcoin user base won't be essential.

I have no problem with you also getting founder coins. The one issue
is how do we make them vest? It doesn't seem like you should get them
all at once. It is possible to set up something where you are sent
coins from the founder pool on a certain schedule and I or maybe the
board of the foundation can stop the flow if you quit. I guess the
answer doesn't have to be technical. We can just have a contract. Are
you ok with having them vest?

I'm still thinking about a fair way to structure our deal. I'll send
another email in a bit.
Jed.

Notes:

Number of newcoins:	100,000,000,000.00
Number of bitcoins:	**9,694,450**
btc price	12.00
newcoins in $1	859.60
btc cap	116,333,400.00
NC cap	116,333,400.00
NC price at BTC levels:	0.0012
# of btc users:	300,000.00
NC price per user:	3.87778E-09
$ amount we try to give them:	5.00
Retention rate:	0.06
Claims per user:	0.75
Initial User base	150,000.00

1) We are deriviving the NC price per user based on our estimate of the BTC price per user. But I think th
2) I think the retention rate will be relatively high since people will have to go claim their coins so they v
3) If the retention rate is low but claims per user is high then we have to give away a lot of coins.
4) This also ignores any growth other than from the faucet. (This is another argument for the retention i
5) Tweaking the retention rate just a little has large effects on the value of the coins after 3 years. So we

month	# users	# claims		NC price	NC per claim
1	262,500	112,500	0.00101792		4297.991806
2	274,313	196,875	0.00106372		4297.991806
3	286,657	205,734	0.00111159		4297.991806
4	299,556	214,992	0.00116161		4297.991806
5	313,036	224,667	0.00121389		4119.005467
6	327,123	234,777	0.00126851		3941.632026
7	341,843	245,342	0.00132559		3771.896676
8	357,226	256,382	0.00138524		3609.470503
9	373,301	267,920	0.00144758		3454.038759
10	390,100	279,976	0.00151272		3305.300248
11	407,654	292,575	0.00158079		3162.966744
12	425,999	305,741	0.00165193		3026.762435
13	445,169	319,499	0.00172627		2896.423382
14	465,201	333,877	0.00180395		2771.697017
15	486,136	348,901	0.00188513		2652.341643
16	508,012	364,602	0.00196996		2538.125974
17	530,872	381,009	0.00205861		2428.828683
18	554,761	398,154	0.00215124		2324.237974
19	579,726	416,071	0.00224805		2224.151172
20	605,813	434,794	0.00234921		2128.374327
21	633,075	454,360	0.00245493		2036.721844
22	661,563	474,806	0.0025654		1949.016119
23	691,334	496,172	0.00268084		1865.087195
24	722,444	518,500	0.00280148		1784.772435
25	754,954	541,833	0.00292754		1707.916206
26	788,927	566,215	0.00305928		1634.369575
27	824,428	591,695	0.00319695		1563.990024
28	861,528	618,321	0.00334081		1496.641171
29	900,296	646,146	0.00349115		1432.192508
30	940,810	675,222	0.00364825		1370.519147
31	983,146	705,607	0.00381242		1311.501576
32	1,027,388	737,360	0.00398398		1255.025432

33	1,073,620	770,541	0.00416326	1200.981274
34	1,121,933	805,215	0.00435061	1149.264377
35	1,172,420	841,450	0.00454639	1099.774524
36	1,225,179	879,315	0.00475097	1052.415812

his isn't a linear relationship actually. The more users there are the higher the price per user.
vill have some idea what the system is before hand.

rate being higher)
should definitely focus a lot of attention here.

total	running total	running %	NC marketcap
483524078.2	483524078.2	0.00483524	101,791,725
846167136.9	1329691215	0.01329691	106,372,353
884244658	2213935873	0.02213936	111,159,108
924035667.6	3137971541	0.03137972	116,161,268
925404934.4	4063376475	0.04063376	121,388,525
925404934.4	4988781409	0.04988781	126,851,009
925404934.4	5914186344	0.05914186	132,559,305
925404934.4	6839591278	0.06839591	138,524,473
925404934.4	7764996213	0.07764996	144,758,075
925404934.4	8690401147	0.08690401	151,272,188
925404934.4	9615806081	0.09615806	158,079,436
925404934.4	10541211016	0.10541211	165,193,011
925404934.4	11466615950	0.11466616	172,626,696
925404934.4	12392020884	0.12392021	180,394,898
925404934.4	13317425819	0.13317426	188,512,668
925404934.4	14242830753	0.14242831	196,995,738
925404934.4	15168235688	0.15168236	205,860,546
925404934.4	16093640622	0.16093641	215,124,271
925404934.4	17019045556	0.17019046	224,804,863
925404934.4	17944450491	0.1794445	234,921,082
925404934.4	18869855425	0.18869855	245,492,531
925404934.4	19795260359	0.1979526	256,539,695
925404934.4	20720665294	0.20720665	268,083,981
925404934.4	21646070228	0.2164607	280,147,760
925404934.4	22571475163	0.22571475	292,754,409
925404934.4	23496880097	0.2349688	305,928,358
925404934.4	24422285031	0.24422285	319,695,134
925404934.4	25347689966	0.2534769	334,081,415
925404934.4	26273094900	0.26273095	349,115,078
925404934.4	27198499834	0.271985	364,825,257
925404934.4	28123904769	0.28123905	381,242,394
925404934.4	29049309703	0.2904931	398,398,301

925404934.4	29974714638	0.29974715		416,326,225
925404934.4	30900119572	0.3090012		435,060,905
925404934.4	31825524506	0.31825525		454,638,646
925404934.4	32750929441	███████		475,097,385